

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION

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MARCH 4, 2003

FROM: LARRY WALKER
Auditor/Controller-Recorder

SUBJECT: PROPOSED RATE ADJUSTMENTS FOR RECORDS MANAGEMENT

RECOMMENDATION: Approve rate adjustments for Records Management for an increase for storage of \$.08 per cubic foot per month for a total of \$.29 per cubic foot per month and a decrease for shredding of \$1.60 per box for a total of \$6.33 per box, effective July 1, 2003.

BACKGROUND INFORMATION: Records Management operates from an internal service fund (IRM ACR), whose fees have remained unchanged since 1997. In order to contain costs in proposing a budget for 2003-04, ACR is reducing staff from 2 to 1.25 FTE. However, there are three areas of the Services and Supplies budget where costs have increased and are beyond the control of department management: insurance, COWCAP, and outside shredding. The insurance industry has raised rates significantly since 9/11/01. COWCAP has increased due to more services provided by Facilities Management and an increase in accounting and billing charges. Shredding costs have increased since July, 2002 when the on-site shredder was shut down due to safety concerns, and an outside vendor has been utilized. The staffing reduction was made in the shredding service unit to offset the cost of the outside vendor. If approved, the proposed changes would make the fees more competitive with outside vendors and provide better matching of revenues and expenses between the two service units.

The current fee for storage is \$2.50/cu.ft./year, which equates to \$.21 per cubic foot/month. The proposed action changes the fee from per year to per month to better reflect the method of billing departments. The proposed action essentially changes the fee from \$.21/cubic foot/month to \$.29/cubic foot/month.

The current fee for shredding is \$.90/ream, which equates to \$7.93 per box. However, shredding is not accomplished by the ream. Records Management staff developed a billing method many years ago that has, in effect, charged \$7.93 per box. The proposed action reduces the fee to \$6.33 per box. ACR proposes to decrease the shredding charge to encourage departments to actively manage their stored records. "Box" as used in this report refers to our standard 1 cubic foot box.

The combination of increased fees for storage and reduced fees for shredding will encourage departments to more actively manage the volume of records in the warehouse.

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**BOARD OF SUPERVISORS
APPROVE FEES FOR RECORDS MANAGEMENT**

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REVIEW BY OTHERS: This item has been reviewed by the County Administrative Office (Valerie Clay, Deputy Administrative Officer, and Tracy Lindsay, Administrative Analyst) on February 11, 2003; by County Counsel (Kevin L. Norris, Deputy County Counsel) on February 12, 2003.

FINANCIAL IMPACT: Adoption of the proposed fee increase will result in a total revenue increase of \$22,222 over 2002-03.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and concurs with the department's proposal and recommends this action based upon the fact that the increases in COWCAP and insurance costs are mandatory and constitute over 50% of the budget for Records Management.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Betsy Starbuck, Assistant Auditor/Controller-Recorder, 386-8818

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